

**CONSOLIDATED STATEMENT OF CHANGES
IN CASH POSITION**
(unaudited and 000's omitted)

	Six Months Ended June 30	
	1976	1975
SOURCES OF CASH:		
Operations*	\$ 301	\$ 126
Increase in guaranteed trust borrowings	9,880	14,200
Decrease in securities and short term investments	157	(1,095)
Proceeds on sale of premises	—	1,504
Net other sources (applications)	794	(184)
	<u>11,132</u>	<u>14,551</u>
APPLICATIONS OF CASH:		
Increase in loans receivable	8,790	10,080
Decrease in bank loans	2,870	(331)
Payments on long term debt	790	82
Increase in investments in and advances to joint ventures	268	30
Additions to real estate held for development or sale	90	114
Dividends	56	84
Decrease in mortgages payable	24	109
Increase in premises, leasehold improvements and equipment	19	245
	<u>12,907</u>	<u>10,413</u>
Decrease in cash for the six months	1,775	(4,138)
Cash and bank deposit receipts at beginning of year	7,099	4,019
Cash and bank deposit receipts at the end of period	<u>\$ 5,324</u>	<u>\$ 8,157</u>

*Represents net income before extraordinary gain for the six months after adding back depreciation and amortization of financing expenses (1976 — \$90,000; 1975 — \$78,000).

REALTY CAPITAL CORP. LIMITED
415 Yonge Street, Toronto

Subsidiaries
Federal Trust Company
Warchester Investments Limited

Head Office
Federal Trust Tower, 415 Yonge Street,
Toronto
864-1720

Savings Branches
Toronto:
343 College Street 961-8247
605 Danforth Avenue 461-0254
2070 Danforth Avenue 422-1610
1850 Eglinton Avenue West 789-4341
948 St. Clair Avenue West 654-4255
1224 St. Clair Avenue West 652-3555
141 Yonge Street 864-9023
415 Yonge Street 864-9253
Brampton: 9 Queen Street East 453-1460
Ottawa: 270 Albert Street (613) 238-4886
Welland: 800 Niagara Street North (416) 735-0714

Mortgage Offices
Toronto: 415 Yonge Street 864-1720
Ottawa: 270 Albert Street (613) 238-4888

Real Estate Branches
Toronto: 415 Yonge Street 864-1720
Pickering: 1355 Kingston Road West 361-1893
Welland: 800 Niagara Street North (416) 735-0714
Barrie: 87 Bayfield Street (705) 737-2300

Main Services and Functions
Chequing Accounts
Consumer and Demand Loans
Current Accounts
Deferred Profit Sharing Plans
Guaranteed Investment Certificates
Mortgage Loans
Mortgage Servicing and Management
Personal Investment Management
Real Estate Sales
Registered Home Ownership Savings Plans
Registered Retirement Savings Plans
Savings Accounts
Short Term Deposits

AR43

Conway

RealtyCapital
Corp Limited



Federal Trust
Company

INTERIM REPORT

**SIX MONTHS
ENDED JUNE 30, 1976**

TO THE SHAREHOLDERS:

The net after tax earnings before extraordinary gains for the six months ended June 30, 1976 were \$211,000, equal to \$0.28 per share, compared to \$48,000 for the first half of 1975. The 1975 period had an extraordinary gain of \$739,000. The increase in earnings in 1976 was a result of substantially improved results in the trust company over those of 1975. Total assets, including assets under administration, increased over the previous year by 25% to \$171,780,000.

TRUST DIVISION

The net earnings of Federal Trust Company before extraordinary gains increased to \$217,000 compared to \$70,000 in 1975. This is a result of improved interest spreads, increased fee income in the real estate sales and mortgage areas and control of administrative costs.

OUTLOOK

The Trust Company will continue to show growth in assets. The additional interest spread on this growth and the control of administrative costs should result in a continuing improvement in earnings through 1976.

Warchester Investments Limited, a wholly owned subsidiary of Federal Trust, has several construction projects currently in progress, which should provide income in 1976.

In general, I anticipate continued growth and increase in earnings for the balance of the year.

On behalf of the Board,



Toronto, Ontario
August 11, 1976

David S. Ades,
President.

CONSOLIDATED STATEMENT OF INCOME
(Unaudited and 000's omitted)

	Six months ended June 30			Three months ended June 30		
	1976	1975	% Increase (decrease)	1976	1975	% Increase (decrease)
Trust Division:						
Investment income	\$ 6,027	\$ 4,802	26	\$ 3,109	\$ 2,423	28
Fee and commission income	516	288	79	279	206	35
Expenses—	6,543	5,090	29	3,388	2,629	29
Interest	4,638	3,624	28	2,418	1,804	34
Operating	1,564	1,384	13	790	736	7
Income from Trust Division	6,202	5,008	24	3,208	2,540	26
Land Development Division:	341	82	316	180	89	102
Mortgage and other investment income	267	281	(5)	132	136	(3)
Profit on sale of real estate	—	20	(100)	—	1	(100)
Fee and commission income	91	18	406	36	11	227
Expenses—	358	319	12	168	148	14
Interest	252	265	(5)	115	133	(14)
Operating	118	99	19	42	44	(5)
Loss (income) from Land Development Division	370	364	2	157	177	(11)
Net income before taxes and extraordinary item	(12)	(45)	73	11	(29)	138
Income taxes (recoverable)	329	37	789	191	60	218
Net income before extraordinary item	118	(11)	1,173	71	13	446
Extraordinary gain less income tax of \$138,000	211	48	340	120	47	155
Net income for the period	\$ 211	\$ 739		\$ 120	\$ 47	
Earnings per Class A and Common share:						
Net income before extraordinary item	\$ 0.28	\$ 0.07	300	\$ 0.16	\$ 0.07	129
Net income for the period	\$ 0.28	\$ 1.07		\$ 0.16	\$ 0.07	
Fully diluted	\$ 0.28	\$ 0.92		\$ 0.16	\$ 0.07	

CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited and 000's omitted)

	June 30		December 31		June 30	
	1976	1975	1975	1975	1975	1975
ASSETS						
Cash and short term investments	\$ 6,387	\$ 8,588	\$ 8,948			
Securities	8,192	7,942	8,102			
Mortgages	104,285	97,168	87,617			
Consumer and demand loans	5,418	3,745	3,031			
Real estate	2,688	2,598	2,500			
Joint ventures	1,640	1,372	976			
Other	4,227	4,327	3,912			
	\$132,837	\$125,740	\$115,086			
LIABILITIES						
Guaranteed investment certificates, debentures and deposits	\$116,054	\$106,174	\$ 97,485			
Mortgages payable	1,085	1,109	1,239			
Bank loans	400	3,270	2,742			
Long term debt	3,335	4,125	4,125			
Other	6,076	5,330	4,192			
Deferred income taxes	1,031	1,031	689			
Shareholders' equity	4,856	4,701	4,614			
	\$132,837	\$125,740	\$115,086			
Estates, Trusts and Agencies	38,943	24,846	22,486			
TOTAL ASSETS UNDER ADMINISTRATION	\$171,780	\$150,586	\$137,572			